

Maryland State Lottery and Gaming Control Agency

TAXATION OF PROCEEDS AND REGISTRATION OF FANTASY COMPETITION OPERATORS

PUBLIC NOTICE

Maryland State Lottery and Gaming Control Agency hereby provides notice to fantasy competition operators in Maryland of the new taxation requirement on proceeds, and the new operator requirement.

This notice is given by James R. Nielsen, Deputy Director of the Maryland Lottery and Gaming Control Agency (“Agency”), so that fantasy competition operators conducting competitions in Maryland are aware of new requirements in the Fantasy Competition Law (“Law”), State Government Article (“SG”) §9-1D, Annotated Code of Maryland.

Effective May 18, 2021, Chapter 356 of the 2021 Session Laws of Maryland (House Bill 940 - *Gaming - Regulation of Fantasy Gaming Competitions and Implementation of Sports Wagering - Supplementary Appropriation*) added requirements to the existing Law:

- **New SG §9-1D-03(a) and (b)** (respectively) require a fantasy competition operator to register with the Maryland State Lottery and Gaming Control Commission (“Commission”) before offering a fantasy competition, and that the one-year registration term expires unless renewed.
- **New SG §9-1D-04(a)** requires a fantasy competition operator to retain 85% of its proceeds, and pay the remainder to the Commission.

Fantasy competition operators in Maryland should review pages 7 through 10 of the bill for the full text: <http://mgaleg.maryland.gov/mgawebpage/Legislation/Details/HB0940>

Under existing regulations found in the Code of Maryland Regulations 36.09.01.12, a fantasy competition operator must notify the Commission that it is qualified to do business in the State. http://www.dsd.state.md.us/COMAR/SubtitleSearch.aspx?search=36.09.01.* Although new SG §9-1D-03(a) requires operator registration, the Commission needs to develop a registration process and promulgate regulations to implement the changes. Regulations are not required to implement new SG §9-1D-04. Operators should visit the Fantasy Competitions webpage at <https://www.mdgaming.com/ancillary-responsibilities/fantasy-competitions/> where we will post the *Monthly Fantasy Contest Operator Tax Form* for the new 15% operator tax, and additional information about the registration process. All operators should notify the Commission of their intent to conduct fantasy competitions in Maryland. Please contact Tanya Lawrence, Skills-Based Amusement Device Manager, at (410) 230-8883, md.ofc@maryland.gov, or by mail at:

Maryland Lottery and Gaming
Fantasy Competition Registrations
1800 Washington Blvd., Suite 330
Baltimore, MD 21230

This Notice is effective immediately.

James R. Nielsen
Deputy Director
Maryland Lottery and Gaming